

UNITED STATES DEPARTMENT OF AGRICULTURE

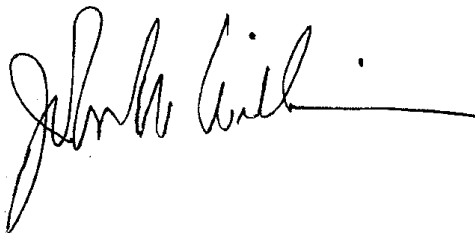
Farm Service Agency
Washington, DC 20250

Notice PM-2118

For: FAS, RMA, and FSA Employees

Portability of Federal Employees' Group Life Insurance (FEGLI)

Approved by: Acting Deputy Administrator, Management



1 Overview

A

Purpose

This notice provides information about portability of Option B FEGLI insurance.

Note: Option B insurance is additional life insurance on an employee that is equal to 1, 2, 3, 4, or 5 times his/her annual basic pay.

B

Background

Pub. L. 105-311, Federal Employees Life Insurance Improvement Act, enacted October 30, 1998, made numerous changes to the FEGLI program. One of these changes is a 3-year demonstration project allowing the portability of Option B.

Continued on the next page

Disposal Date

January 1, 2000

Distribution

All FAS, RMA, and FSA employees; State
Offices relay to County Offices

Notice PM-2118

1 Overview (Continued)

C

National Office Contact

National Office employees shall contact the appropriate office according to this table for additional information.

IF employee needs to...	THEN employee shall do 1 of the following...
<ul style="list-style-type: none">• obtain Portability Notice (Exhibit 1)• submit Portability Notice to employing agency	contact the Services Unit: <ul style="list-style-type: none">• by phone on 202-418-9135• by Mail at the following address: USDA-FSA-HRD-DOB 0594 1400 Independence Ave., SW Washington, D.C. 20250.
obtain policy information or guidance	<ul style="list-style-type: none">• in person in Room 5700, L Street• by telephone from HRD, Performance Management, Benefits, and Awards Branch (PMBAB) on 202-418-9021 or 202-418-9039, TDD 202-418-9116.

D

Field Offices Contact

Field Office employees shall contact the appropriate office, according to this table, for additional information.

Location	Contact
<ul style="list-style-type: none">• KCMO• KCCO• APFO• RMA Kansas City Offices• St. Louis	Servicing Processing Technician, Processing Section, Personnel Division, KCMO
RMA RSO's and Compliance Field Offices	HRD/PMBAB at 202-418-9021 or 202-418-9039, TDD 202-418-9116
FAS Overseas employees	HRD/PMBAB at 202-418-9021 or 202-418-9039, TDD 202-418-9116
State Office	State Office, Administrative Division
County Office	CED

2 Portability

A

Definition

Portability is the ability to continue or “port” group life insurance coverage that would otherwise terminate.

This means that an employee may continue their Option B insurance if they leave Federal Service.

B

Effective Date

Portability is effective April 24, 1999. Therefore, employees who separate on or after April 24, 1999, and complete 12 months in nonpay status on or after April 24, 1999, are able to port their Option B coverage.

C

Portable Coverage

Option B insurance **can** be ported.

Basic insurance, Option A, and Option C coverage **cannot** be ported.

D

Eligibility

Employees must meet the following 2 requirements to port Option B coverage:

- FEGLI must be terminating because of separation from service or completion of 12 months in nonpay status
- employee must meet the 5-year/first opportunity requirement.

Note: Compensationers may use the 12 months in nonpay status to meet the 5-year/first opportunity requirement.

Example: The employee must meet either of the following criteria:

- had the coverage for the 5 years immediately preceding the separation or completion of 12 months in nonpay status
 - had the coverage for the entire time he/she was eligible, if that is less than 5 years.
-

Continued on the next page

2 Portability (Continued)

E

Amount of Option B That Can be Ported

An employee can port the highest number of multiples that meet the 5-year/first opportunity requirement.

An employee can also choose to port a lesser number of multiples.

F

Changing the Amount of Option B Ported

A person with ported coverage:

- **can reduce** the number of multiples
- **cannot increase** the number of multiples.

An individual who wishes to reduce the number of multiples can do so by writing a letter to Metropolitan Life Insurance Company (MetLife) at the following address:

Metropolitan Life Insurance Company
Voluntary Benefits Group
Administrative Services
P.O. Box 2006
Aurora, IL 60507.

The letter must include:

- the full name of the insured
- his/her social security number
- telephone number.

This action is a voluntary cancellation of those multiples and may affect the amount of insurance the person will have if he/she returns to Federal service.

If the insurance has been assigned, only the assignee can cancel the multiples.

G

Converting Ported Option B

Ported insurance cannot be converted to an individual, non-group policy unless ported insurance terminates because of age or end of the demonstration project.

3 Cost and Entitlements

A

Cost of Ported Option B

The cost of ported Option B is the same as the cost of Option B for active employees; however, there is an additional \$1.75 per month administrative fee.

B

Salary Changes of Employees in Nonpay Status

Salary changes have no effect on the amount of ported Option B coverage.

C

Coverage

Ported coverage **does not** reduce when the person reaches age 65.

Ported coverage reduces by 50 percent at the beginning of the 2nd calendar month after the individual reaches **age 70**. If the person is already 70 at the time he/she ports Option B coverage, the 50 percent reduction will take place the 2nd month after the effective date of the ported coverage. The premium is also reduced at this time. The person will pay premiums only on the amount of coverage that is still in effect.

Ported coverage stops at the beginning of the 2nd calendar month after the individual reaches **age 80**. The person will then have the 31-day extension of coverage and right to convert to an individual policy.

D

Designations of Beneficiary

If an individual has a valid designation of beneficiary on file at the time he/she ports Option B coverage, that designation remains in effect.

Individuals with ported coverage may change designations under the same rules that apply to active employees.

Persons with ported coverage may obtain the designation of beneficiary form (SF-2823) from either of the following sources:

- MetLife at the address in subparagraph 2 F
- on the FEGLI web page at www.opm.gov/insure/life.

Note: SF-2823 must be filed at the address in subparagraph 2 F.

Continued on the next page

3 Cost and Entitlements (Continued)

E

Court Orders

If the servicing personnel office received a valid court order on or after July 22, 1998, that court order remains valid for the ported coverage.

Anyone wishing to send in a court order **after** Option B has been ported must send it to MetLife at the address in subparagraph 2 F.

F

Assignments

If the coverage was assigned before the employee separated or completed 12 months in nonpay status, only the assignee(s) can port the coverage. The assignment remains in effect.

If an individual who has ported coverage wishes to make an assignment, he/she may do so.

4 Application and Payment of Premiums

A

How to Port Option B Insurance

Employees who wish to port their Option B insurance must:

- meet the eligibility requirements in subparagraph 2 D
- return a completed Exhibit 1 within 31 days of the terminating event to the appropriate serving personnel office in subparagraphs 1 C and D

Note: For **overseas employees**, the time for returning completed Exhibit 1 is within **45 days** of the terminating event.

- send a copy to MetLife at the address in subparagraph 2 F.

There is no extension period for these individuals to make a portability election.

B

Effective Date of Ported Insurance

The ported coverage continues directly from the coverage carried as an active employee.

Example: The employee's coverage terminates August 14, 1999. The ported coverage begins August 15, 1999.

C

Payment of Premiums

The individual will receive a confirmation letter from MetLife once Exhibit 1 is received.

Once Exhibit is processed, MetLife will generate monthly bills for premiums and send them to the individual. Individuals will have 31 days to pay the bills (45 days if overseas).

Note: For **overseas employees**, the time for paying premiums is extended to **45 days**.

D

Missed Premiums

If premiums are not paid, coverage is canceled.

5 Return to Active Federal Service

A

Amount of Option B Coverage Upon Return to Service

An employee returning to active service will get back the number of multiples of Option B he/she had before the terminating event unless:

- he/she canceled multiples while ported
- coverage was canceled for nonpayment of premiums.

Previously separated employees can elect Option B or increase the number of multiples of Option B if it has been at least 180 days since the cancellation of the insurance.

Employees in nonpay status, who were never separated, cannot elect Option B insurance or increase the number of multiples of Option B unless one of the following occurs:

- employee has a life event
 - employee takes a physical exam
 - there is an open enrollment period.
-

B

Designations of Beneficiary, Assignments, and Court Orders

Designations, assignments, and court orders remain valid when the employee returns to active Federal Service.

FEGLI coverage obtained by returning to service is therefore subject to the designation, assignment, or court order.

6 Demonstration Project

A

End of Demonstration Project

The 3-year demonstration project comes to an end in April 2002. At that time, if the project is not renewed or made permanent, MetLife will notify those who have ported their coverage that the coverage is terminating. The individuals will have the 31-day extension of coverage and the opportunity to convert to an individual policy.

Portability Notice

REPRODUCE LOCALLY. Include form number and date on reproductions.

AD-1137 <small>(07-02-99)</small>	U.S. DEPARTMENT OF AGRICULTURE PORTABILITY NOTICE (Notification to Continue Option B Insurance Coverage)																
EMPLOYEE/ASSIGNEE'S INSTRUCTIONS																	
<p>Portability is the ability to continue or "port" group life insurance coverage that would otherwise terminate if Federal Service was terminated. This Portability Notice applies to Option B coverage only.</p> <ul style="list-style-type: none"> If you want to port your Option B coverage, complete Part B of this Portability Notice. YOU MUST mail or hand-carry this completed Portability Notice to the Agency's employing office entered in Item 7 below. Also, send a copy to the Metropolitan Life Insurance Company at the following address: Metropolitan Life Insurance Company Voluntary Benefits Group Administrative Services P.O. Box 2006 Aurora, IL 60507 If you have received the SF-2821 (Agency Certification of Insurance Status), also send that form to MetLife. If you have not received the SF-2821, do not delay in sending this Notice. Your employing office must receive the Portability Notice within 36 calendar days from the date of the terminating event shown in Item 6 (50 days, if you live overseas). There are no extensions to this deadline. 																	
PART A - COMPLETED BY EMPLOYING AGENCY																	
1. Employee's/Assignee's Name and Address and ZIP Code John P. Smith 22221 Rainbow Lane Smithsville, MD 20689	2. Employee's/Assignee's Telephone No. (301) 555-5222																
3A. Employee's/Assignee's Soc. Security No. 222-22-2222	3B. Employee's/Assignee's Date of Birth 05-03-1940																
4. Number of Multiples of Option B Employee/Assignee has as of the date entered in Item 6. 0	5. Amount of Coverage in Each Multiple (Annual Basic Pay Rounded Up to the Nearest Thousand) \$45,000.00																
6. Date of Terminating Event 7-01-98	7. Agency's Name and Address (including ZIP Code) Farm Service Agency 1400 Independence Ave. SW Washington DC 20250-0558																
8. Name of Agency Official to Contact for Additional Information Jane L. Drane	9A. Agency Official's Telephone Number (202) 555-7999																
9B. Agency Official's Facsimile Number (202) 555-9997																	
PART B - COMPLETED BY EMPLOYEE (OR ASSIGNEE)																	
10. Have you assigned your life insurance? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO NOTE: If you have assigned your insurance, you cannot port your Option B coverage. Only your assignee has the right to port your coverage. Give this Portability Notice to your assignee.																	
11. I choose to port (continue) <u>2</u> multiples of the Option B coverage described above. I understand that if I do not make premium payments on time, the coverage will be canceled and cannot be reinstated.																	
12. Signature of Employee (or Assignee, if applicable) s/John P. Smith	Date 7/2/99																
PART C - COST																	
13. The cost of your ported Option B coverage is the same as what you've been paying as an employee, as shown in the chart below:																	
1999 RATE CHART																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">EMPLOYEE'S AGE</th> <th style="width: 50%;">MONTHLY COST PER \$1,000 OF COVERAGE</th> </tr> </thead> <tbody> <tr><td>Under 35</td><td>\$0.065</td></tr> <tr><td>35 through 39</td><td>\$0.087</td></tr> <tr><td>40 through 44</td><td>\$0.130</td></tr> <tr><td>45 through 49</td><td>\$0.217</td></tr> <tr><td>50 through 54</td><td>\$0.325</td></tr> <tr><td>55 through 59</td><td>\$0.672</td></tr> <tr><td>60 and over</td><td>\$1.517</td></tr> </tbody> </table>	EMPLOYEE'S AGE	MONTHLY COST PER \$1,000 OF COVERAGE	Under 35	\$0.065	35 through 39	\$0.087	40 through 44	\$0.130	45 through 49	\$0.217	50 through 54	\$0.325	55 through 59	\$0.672	60 and over	\$1.517	NOTE: For ported coverage, there is also a \$1.75 per month administrative fee.
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IF YOU HAVE ANY QUESTIONS CONCERNING YOUR PORTED COVERAGE, YOU MAY CALL METLIFE AT 1-800-936-4792.																	